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## Alstom UK & Ireland

### Modern Slavery Act Transparency Statement 2022

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Date of issue: **29 SEPTEMBER 2022**

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#### **1. ORGANISATION STRUCTURE AND SUPPLY CHAINS**

This statement is made by **ALSTOM Transport UK Limited** with regards to the Modern Slavery Act 2015 which requires companies with turnovers in excess of £36million to be transparent about their efforts to eradicate Slavery and Human Trafficking in their supply chain.

In accordance with the Act, this statement articulates our policies and practices around recognising and preventing human trafficking and slavery in the global supply chain.

Alstom's mission is to support the transition toward global sustainable transport systems that are inclusive, environmentally friendly, safe and efficient whilst implementing a socially responsible business model. Alstom pioneers and markets the widest range of smart solutions in the rail market offering a complete range of innovative solutions from high-speed trains to metros, tramways and e-buses, on-board passenger solutions, customised services (maintenance, modernisation), infrastructure, signalling and digital mobility solutions. Alstom is a world leader in integrated transport systems.

Sourcing activities represent nearly 60% of the Group's turnover. Alstom works with a broad range of suppliers, contractors and other business partners.

#### **2. POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING**

Alstom has a **Code of Ethics** that applies to every employee and which is designed to promote honest and ethical conduct with all stakeholders in line with our company values: Agile, Inclusive and Responsible. The Code of Ethics prescribes fundamental rules of conduct, relating in particular to full compliance with laws, regulations and requirements in all countries where Alstom operates, and defines Alstom's human rights policy. This Code of Ethics was updated in 2020, and now integrates a series of case studies to make it more accessible for employees.

Alstom's human rights policy is part of its **Sustainability & Corporate Social Responsibility Policy** endorsed in March 2021 by Henri Poupart-Lafarge, Chairman & CEO of Alstom which commits to enforcing the highest ethical standards, acting against discrimination and respecting human rights.

**Alstom** aims to comply with the Guiding Principles on Business and Human Rights set out by the United Nations Human Rights Council and to respect internationally recognised human rights in all countries where Alstom operates. Alstom is particularly respectful of the laws governing, *inter alia*, human rights and labour, health and safety standards, and the protection of the environment. Alstom's policy is to comply fully with the fundamental conventions of the International Labour Organisation (ILO). Alstom supports the elimination of all forms of illegal, forced or compulsory labour, including child labour. Illegal, forced or compulsory labour is strictly prohibited for Alstom's suppliers and subcontractors. Alstom also complies with the Guidelines for multinational enterprises of the OECD and the United Nations Universal Declaration of Human Rights.

Alstom is a member of the United Nations Global Compact (UNGC), promoting the respect of human rights within its sphere of influence. In March 2022, the Group's Chairman and Chief Executive Officer renewed his commitment to the 10 principles of the United Nations Global Compact.

Alstom's objective is to identify risks and prevent serious violations of human rights and fundamental freedom in its activities and supply chain. Respect for human rights is managed transversely according to the topics addressed. The Human Resources function, Sustainable Procurement, Health and Safety, Sustainable Development and Corporate Social Responsibility (CSR), Ethics and Compliance and the Legal Department are all involved in Human Rights processes. Following an in-depth review of Alstom's Human Rights' risk mapping and subsequent action plan in Q1 2022, Alstom is aiming to publish a global instruction on Human Rights management within the Group in 2022/23.

Alstom commits itself to a continuous improvement approach with our suppliers and contractors outlined in our **Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors**. Procurement teams require their suppliers to comply with Alstom Sustainable Development values and principles detailed in the charter. This is a pre-requisite to enter into Alstom's panel of suppliers. Compliance with this Charter is also part of Alstom's general procurement terms and conditions.

Alstom's suppliers and contractors shall, in particular, and in compliance with our Charter for Ethics and Sustainable Development, comply with the following:

- Eliminate all forms of illegal, forced or compulsory labour;
- Eliminate child labour; Alstom's suppliers and contractors shall not employ persons not having reached the minimum age required for work and shall never support the use of child labour, except as part of an official government approved educational youth training scheme;
- Eliminate discrimination of any kind in respect of employment and occupation;
- Comply with applicable laws and regulations related to maximum working hours and minimum days of rest;
- Comply with applicable laws and regulations related to the minimum level of wage;
- Respect the freedom of association for their employees, in compliance with applicable laws;
- Comply with applicable laws and regulations related to redundancy.

They undertake to be compliant at least with the United Nations' Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organisation (ILO), the OECD Guiding Principles, the rules of conduct of the International Chamber of Commerce (ICC), and the values defined by Alstom's Code of Ethics. Following the application of the European Union General Data Protection Regulation (EU GDPR) since 25 May 2018, data confidentiality is also integrated in this Charter.

In accordance with the ISO 37001 standard on anti-corruption management systems, the Alstom Charter includes Alstom's alert procedure. Suppliers and sub-contractors can use this procedure 24/7 to report possible violations of the Code, Alstom rules and policies, or the laws, on a nominative or anonymous basis.

### **3. DUE DILIGENCE PROCESSES**

#### **Evaluation of our sustainability performance by independent third parties:**

- Alstom's global sustainable development performance was last assessed by Ecovadis in 2021 and achieved the highest possible recognition of "Platinum" status, placing the Group among the top 1% rated companies on the platform.
- In October 2020, Alstom UK & Ireland was assessed by AFNOR against the Corporate Social Responsibility Commitment Label and achieved 2 out of 3 star "confirmed" status. The audit included verification of sustainable procurement practices.

The watch for potential human rights issues starts from the very beginning of any project. A specific **Human Rights Risk Scorecard** for new tenders and projects has been developed taking into account country risk mapping, type of

activity and project structure amongst others. The objective is to identify potential risks related to projects and define mitigation measures ahead of bid submissions, including the undertaking of specific Human Rights due diligence assessments when relevant. To this end, the human rights scorecard has been integrated in the Ethics and Compliance assessment process. In FY2021/22, a specific monitoring was set up on projects identified as high-risk during the tender process, involving operational teams as well as central functions and process is under deployment.

Because of the nature of on-site activities and the scale of these projects, Living conditions, Working conditions and Labour and Recruitment practices on construction sites have been identified as priorities and the following actions are now in place:

- **Assessment of living conditions** on construction sites where workers are provided with accommodation is integrated in AZDP (Alstom Zero Deviation Plan) audits in identified high-stakes projects. A specific instruction has been developed for its implementation jointly by the Sustainability and CSR, Sustainable Procurement and EHS teams. The questionnaire used in the assessment covers such issues as the general level of comfort and cleanliness of the facilities and the existence of communication means and medical care facilities. It can be adapted in the countries to take into account local standards for example in terms of worker welfare. Non-compliance leads to the implementation of an appropriate action plan by the subcontractor and potentially a reassessment depending on the results. Unsatisfactory results are reported to the internal Sustainable Procurement Leadership Committee, which is responsible for taking appropriate measures, up to and including the ending of a business relationship. In total nine sites were audited over 2021/22.
- **External audit programme.** Since 2020, Alstom has partnered with external specialists to conduct an audit programme with the aim of rolling out additional assessments, benefiting from a global network of local social audit experts and targeting high-risk contractors and suppliers. For the second year of the programme, 21 audits took place on sites in India, Thailand, China, Brazil, Poland and South Africa. Themes covered include: Forced labour, Child labour, Health & Safety, Freedom of association, Working hours and Remuneration. All audits were followed by a closing meeting on site which involved the signature of a corrective action plan if required. If critical or major non-compliances are identified, Alstom can organise a follow-up audit. In 2021, a Sustainable Procurement Performance Manager was appointed to manage the programme and monitor the effective implementation of corrective action plans.

These two actions come in addition to the corporate social responsibility assessments deployed by Procurement which include:

1. online documentary assessments, carried out by the external company, EcoVadis;
2. onsite evaluations, called “Quick Industrial Assessments” run by Alstom’s procurement teams;
3. onsite audits, called “Supplier Process Audits” conducted by Alstom’s supplier quality teams;
4. online screenings, run by an external solution provider;

Every year, Alstom conducts a **social survey** to ensure the absence of any incident regarding child labour, forced labour or freedom of association and monitors human rights alerts reported through its alert procedure. Alerts are recorded and investigated as per alert procedure rules.

If potential issues related to the working or living conditions of suppliers or contractors are brought to Alstom attention through other sources (like NGO contacts, screening, etc.), they are properly investigated through supplier inquiries and site visits.

In order to comply with **Conflict Minerals** regulations, every financial year, a specific survey on conflict minerals is launched in order to track the origin of minerals contained in the goods purchased by Alstom and verify that suppliers have internal policies to mitigate related risks in their supply chain. The survey is based on the Conflict Minerals Reporting Template (CMRT), the Cobalt Reporting Template (CRT), and the Mica Reporting Template (MRT) of the Responsible Minerals Initiative (RMI). Corrective action plans should be implemented if needed, for not compliant suppliers.

Alstom's suppliers are also encouraged to use recycled minerals or get certifications attesting that minerals are conflict-free or to be part of an international initiative for the responsible sourcing of conflict minerals (e.g. the RMI, the International Tin Supply Chain Initiative (ITSCI), the Responsible Cobalt Initiative (RCI)).

In the day-to-day management of its activities Alstom strives to strictly comply with its commitments through its policies on Health and Safety, product safety, prevention of discrimination and harassment, social dialogue and protection of labour laws, supply chain management and data protection for its employees and passengers.

#### **4. RISK ASSESSMENT AND MANAGEMENT**

The analysis and prioritisation of human rights related risks are established at different levels within Alstom:

- a **global risk mapping for human rights** was done to determine and prioritise human rights that were most likely to be affected by Alstom's activity. The methodology for this risk mapping exercise is detailed below;
- a **risk mapping per country** was established on the basis of different indexes by international organisations and NGOs such as the United Nations, the International Labour Organisation (ILO), the European Union, the World Bank, International Trade Union Confederation and Transparency International;
- **A risk mapping of our suppliers (including contractors)** is updated every year by the Procurement Team based on product family, supplier's country and the amount of purchases made from the supplier.

The global risk mapping for human rights is based on the list of Human Rights as presented in Annex A of the UN Guiding Principles Reporting Framework: "Table: Internationally Recognised Human Rights and Examples Of How Business Might Impact Them". An assessment conducted by the transverse working group and based on the likelihood and impact of the risks posed to each Human Right by each of Alstom's functions and macro-processes allowed for the prioritisation of these risks.

In 2022, the methodology and results of this risk mapping exercise and overall Vigilance plan were updated, with the support of an external consulting firm. This exercise involved the extensive consultation of corporate as well as operational functions, to identify emerging risks and assess and prioritise all Human Rights risks, in relation to Alstom's activities and supply chain. This assessment led to the identification and prioritisation of the Human Rights risks for Alstom and its business partners in projects where Alstom is involved.

The risk mapping covers Alstom's activity, supply chain and partnerships and the following stakeholder families were considered during the analysis: workers in the value chain, Alstom workers, local communities and end-users of solutions.

Taking into account the remediability, namely the ability to restore the damages potentially caused, the most salient Human Rights risks that have been identified by the global Alstom Group include:

- inadequate H&S conditions in the production sites of Alstom or throughout the supply chain;
- harassment or discrimination in the workplace;

- non-responsible sourcing of raw materials (conflict minerals, mica & cobalt);
- bonded / forced labour in the supply chain;
- child labour in the supply chain;
- human trafficking by logistical subcontractors;
- indirect contribution or link to controversial projects.

Our procurement policies and contracts refer to the Alstom Charter for Ethics & Sustainable Development and every supplier is required to sign this. As of 31 March 2022, 96% of purchase amount were covered by the key suppliers having signed the Ethics and Sustainable Development Charter.

All our supplier and contractor contracts contain the right to be assessed or audited by Alstom or by a third party mandated by Alstom on the principles defined in the Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors and internal quality audits include specific questioning.

**Alstom's Vigilance Plan** was first published during the 2017/18 fiscal year as part of the French law on Duty of Vigilance. It is updated every year to report on the measures implemented and assess the efficiency of the Group's actions regarding human rights, health, safety and environmental issues:

- global risk mapping and management tools expanded to integrate the relevant topics;
- specific risk analysis and mitigation measures covering Human Rights, Health and Safety and Environmental risks from Alstom activities, which also apply to contractors operating in Alstom's facilities;
- dedicated risk mapping and risk management measures for risks arising from the Supply Chain applied to suppliers and contractors.

## 5. KEY PERFORMANCE INDICATORS

	2019/20	2020/21	2021/22
Part of purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter (*)	99%	99%	96%
Part of total purchase volume covered by screenings, online assessments and/or on-site audits as per level of risks	60%	64%	62%
Number of procurement community members trained in Sustainable Procurement	253	332	583
Number of suppliers enrolled in Alstom Sustainable Procurement training programme	N/A	N/A	100 (**)

(\*) Suppliers with whom Alstom has a spending exceeding €100,000, excluding the Charters included in the general conditions of purchase.

(\*\*) Estimation inferior or equal to the value using a conservative approach.

	2019/20	2020/21	2021/22
Number of internal on-site social audits of subcontractors	9	4	9
Number of external on-site social audits of subcontractors and suppliers	/	8	21
Number of alerts in the area of non-respect of human-rights, child exploitation, forced labour, freedom of association from alert procedure and social survey leading to internal investigation (*)	0	1	3

(\*) Events covered by several notifications are only counted once.

The three alerts reported through the alert procedure have been investigated and found to be unsubstantiated.

## 6. TRAINING ON MODERN SLAVERY AND TRAFFICKING

The efficient deployment of Alstom's Human Rights programme also relies on raising employee awareness on this issue. An e-learning module was launched in November 2020 for all staff, but particularly targeted at the Tender, Project Management, and Sustainability & CSR teams, and aims to introduce key concepts around human rights. End of March 2022, more than 1,000 employees had completed the module. In addition, specific awareness sessions on the Alstom Human Rights Programme were rolled out to site teams in the context of the launch of the external audit programme.

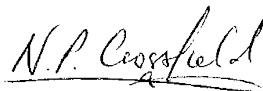
Alstom UK and Ireland continues its partnership with the Supply Chain Sustainability School, who delivered a CPD accredited Modern Slavery Awareness brief to over 500 staff members in February 2022 to build awareness around modern slavery risks and signs.

The goal is to ensure Human Rights considerations are integrated in all the Group's activities and that employees are trained globally to represent Alstom's commitment on this topic, raising awareness around the topic of human rights and Alstom's actions to promote these.

### APPROVAL

This Statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes our Modern Slavery Act Transparency Statement for the financial year commencing 1<sup>st</sup> April 2021 ending 31<sup>st</sup> March 2022.

This Statement has been approved by the board of **ALSTOM Transport UK Limited** on **29 SEPTEMBER 2022**.



**Nick Crossfield**

Managing Director UK & Ireland